Congress Must Address Extreme Price Increase in Cost of EpiPens

DRAMATIC PRICE INCREASES SINCE 2007

In 2007, the pharmaceutical company Mylan acquired the patent for the EpiPen. Since then, they have dramatically increased the price of this emergency epinephrine injector:

"Mylan, which sells the EpiPen, has raised the wholesale price from less than \$100 for a two-pack in 2007 when it acquired the product from Merck KGaA, **to about \$600 in May.**" [New York Times, <u>8/25/16]</u>

Despite no price increase in the cost of manufacturing EpiPens, Mylan raised the price of the lifesaving medication 450% and left consumers in the lurch. Because Mylan holds the patent for EpiPen and there is no generic option currently available on the market, millions of Americans are forced to pay hundreds of dollars each year for new auto-injectors.

Additionally, a new report from the Kaiser Family Foundation found that the Medicare prescription drug program increased spending on EpiPens significantly during the same time period:

"Medicare's prescription drug program increased spending on EpiPens from \$7 million in 2007 to \$87.9 million in 2014, an increase of 1,151 percent... Average spending per EpiPen prescription increased from \$71 in 2007 to \$344 in 2014." [9/20/16]

EDITORIAL BOARDS DEMAND ANSWERS

Since learning of the extreme price increase, editorial boards from across the country have called on Congress to hold Mylan accountable for their actions and determine why a generic alternative has not yet come to the market:

"The device isn't getting any harder to manufacture. The epinephrine inside it only costs about \$1. The company is just padding its margins by gaming the insurance system and exploiting other inefficiencies in US health care — at the expense of patients and everyone else who pays health care premiums." [Boston Globe, 8/24/16]

"Something of value could actually get done during the upcoming lame-duck session of Congress...Strongly worded letters from senators aren't enough. Sen. Amy Klobuchar, D-Minnesota, ranking Democrat on Grassley's Judiciary Committee, is absolutely correct in her calls for sweeping investigations into Mylan's EpiPen monopoly." [Quad-City Times, 8/26/16]

"Consumers can hardly rely on public outrage to keep prices in check. Instead, they need more **competition from generic drug makers**, especially on medicines that could spell the difference between life and death." [Los Angeles Times, <u>8/26/26</u>]

Office of Democratic Whip Steny H. Hoyer, 9/21/2016

- "A **full-scale review** of the financial burdens caused by these costs on the U.S. health care system should be part of congressional hearings in 2017...EpiPen used correctly can be the difference between **life or death for children and adults**." [Missourian, 8/26/16]
- "...After lawmakers deconstruct Mylan's mystifying EpiPen pricing strategy, **Congress** should find a cure for the larger problem of pharmaceutical price-gouging, especially for widespread life-saving drug products like EpiPen." [Chicago Sun-Times, 9/11/16]

PUTTING CHILDREN AT RISK

Millions of Americans rely on EpiPens each year to protect themselves should they develop allergy-instigated anaphylaxis. The emergency epinephrine injector is easy to administer, and provides rapid access to lifesaving medication.

In 2013, President Obama signed into law the bipartisan School Access to Emergency Epinephrine Act, legislation which encourages states to maintain an emergency supply of epinephrine in schools to make sure schools are prepared in the event of a child having an attack and to give parents peace of mind.

Raising the cost of the EpiPen in the manner we have seen from Mylan - drastically, over a short period, and without cause - undermines both of these goals and capitalizes on an otherwise well intentioned and lifesaving objective to keep Americans safe and healthy.

CONGRESSIONAL HEARING TODAY

The House Oversight and Government Reform Committee will hold a hearing today to learn more about the extreme price increase from Mylan executives:

"There is justified outrage from families and schools across the country struggling to afford the high cost of EpiPens. We look forward to receiving answers next week from Mylan about its dramatic price hike for this life-saving medication... Our goal is to work together to ensure that critical medications, like the EpiPen, are accessible and affordable for all of our constituents." [Reps. Jason Chaffetz and Elijah Cummings, 9/14/16]

Congress must take action to determine the reason for the extreme price increase of this lifesaving drug and examine ways to make epinephrine injectors more accessible and affordable.